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Attorney for Plaintiff

Vinci Brands LLC

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

VINCI BRANDS LLC,

Plaintiffs,

vs.

COACH SERVICES, INC., KATE SPADE,
LLC, TAPESTRY, INC., and CASE-MATE,
INC.

Defendants.

Civil Action No. 1:23-CV-05138

DECLARATION OF STEVE LATKOVIC

I, Steve Latkovic, declare:

1. I am one of two members of Vinci Brands, LLC, a Limited Liability Company organized under the laws of the State of Delaware (“Vinci”).
2. I make this Declaration in Support of Vinci’s Application for a Temporary Restraining Order and in Opposition to Plaintiffs’ Kate Spade LLC and Coach Services Inc. (collectively “Kate Spade”) Application For A Temporary Restraining Order And Preliminary Injunction.
3. I have personal knowledge of the facts stated in this Declaration and, if called as a witness, I could testify competently to them.

Vinci is not in Default of Any Payment Obligations

4. Since the inception of the License Agreement almost a decade ago, Vinci has paid to Kate Spade [REDACTED] in royalties.
5. As of the date Kate Spade purportedly terminated the License Agreement on June 14, 2023 - and as of today - Vinci was and is not in default on payments required under the License Agreement, and certainly not for \$3.7 million as alleged by Kate Spade.
6. Specifically, Vinci was and is in full compliance with the payment requirements of Schedule 8 of the January 1 2022 Sixth Amendment to the License Agreement (the “Sixth Amendment”), attached hereto as Exhibit A, which states in pertinent part:

* Licensee’s payment of [Guaranteed Minimum Royalties] for Contract Year 9 are subject to a quarterly payment plan over the 18- month duration of Contract Year 9 to be determined by the Parties.

Payment of Sales Royalties: Licensors shall invoice Licensee for the excess GMR payable for the applicable fiscal quarter following Licensors receipt of Licensee’s Quarterly Sales Report. Licensee shall pay the Creative/Design Fee according to the terms indicated in the applicable invoice.

7. Per the Sixth Amendment, Contract Year 9 is defined as January 1, 2022 through June 30, 2023. See Schedule 8 to Sixth Amendment.
8. No quarterly payment plan was ever entered into by the parties.
9. Neither the Sixth Amendment nor the License Agreement require weekly or monthly payment plans.
10. Based on invoices submitted by Kate Spade and credit memorandums issued by Kate Spade, Kate Spade has invoiced a total amount of **\$3,780,579.00** for Contract Year 9.
11. Vinci has paid a total amount of **\$4,298,187.36** to Kate Spade for invoices submitted under Contract Year 9.
12. By agreement of the parties, the Sixth Amendment extended the current Contract Year – Contract Year 9 – to 18 months – as such, **Contract Year 9 has not yet expired and will not expire until June 30, 2023.** The Sixth Amendment states:

SCHEDULE 3.1
TERM; RENEWAL

3. Second Renewal Term: 3 Contract Years, as follows:

Contract Year 9: 1/1/2022 – 6/30/2023 (18 months)

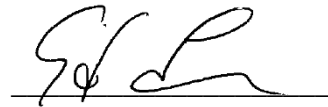
Contract Year 10: 7/1/2023 – 6/30/2024

Contract Year 11: 7/1/2024 – 6/30/2025

13. Vinci has not received from Kate Spade any invoices that are unpaid.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on 6/27/2023.

A handwritten signature in black ink, appearing to read 'SL', is written over a horizontal line.

Steve Latkovic